

## RESOURCING THE FORCE: WHAT IS FUNDED VERSUS ACTUALLY RECEIVED

BY

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# USAWC STRATEGY RESEARCH PROJECT

## RESOURCING THE FORCE: WHAT IS FUNDED VERSUS ACTUALLY RECEIVED

by

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## **ABSTRACT**

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Resourcing the force must be accomplished with finite funds. It is imperative that the resources are allocated to the most critical priorities at levels commensurate with mission needs. The current resource management process generates a budget from data developed five to seven years earlier, filtered through strategic readiness guidance and updated to reflect current guidance in a biennial cycle. While this process is rigorous and sufficient to ensure program allocation does not exceed fund availability, resources are balanced successfully, and Congress is provided a review of efforts to measure programming performance, it is a top-down zero-sum budgeting approach more adaptive to meeting the needs of the leadership than the end users. Its results focus more up than down and therefore, do not necessarily ensure funding is always at minimum levels for the most critical priorities. This paper reviews the inputs, outputs, and outcomes of this process to determine if it results in an allocation of resources that actually provides what the troops need and what the Department of the Army intends.



## RESOURCING THE FORCE: WHAT IS FUNDED VERSUS ACTUALLY RECEIVED

The intricate and rigorous resource allocation and justification process, The Planning, Programming, Budgeting, and Execution (PPBE) Process, is the primary method used by the Department of Defense (DoD) and the Department of the Army (DA) to justify and defend budget requests that result in the authorization, appropriation, and distribution of available resources. Available funds are allocated by prioritizing basic missions and programs based on current readiness guidance, national policies and strategies, and program requirements. This is a top-down zero-sum resourcing approach, which by design balances programs to resources to ensure programmatic compliance with the strategic level decisions of our government leaders. However, many pundits of PPBE are critical of its effectiveness at ensuring that the resources are actually spent (executed) for the purposes for which they were allocated (programmed) and justified (budgeted). This paper will identify resource players and their roles, scrutinize the PPBE process, offer evidence of process failings, and solicit support from aforementioned pundits to justify and irrefutably uphold the premise that PPBE is fallible and that its effectiveness is limited. The review will focus on the Army processes and introduce other processes, non-Army players, and levels of PPBE above the Army level only as the data pertains to the Army.

The overall concept of PPBE relies on a causal connection that synchronizes policy, strategy, programs, and budgets together into one cohesive timeline.<sup>1</sup> The process is hierarchical in nature and requires copious actions at multiple levels within DoD in order to accomplish the desired end result. “It helps build a comprehensive plan in which budgets flow from programs, programs from requirements, requirements from



missions, and missions from national security objectives.”<sup>2</sup> The four phases of PPBE are very distinct but interrelated, each phase relies on the output of the preceding phases. The Constitution provides the authority for each player and stakeholder to execute their role in providing for national defense. This includes the responsibility to assess Army capabilities.<sup>3</sup>

The Planning phase is designed to identify the future strategic environment and forecast the capabilities needed for success. It is in this phase that the military’s plan for forces to accomplish the numerous contingencies and national, defense, and military strategies is structured and articulated in terms of manning, training, supporting, sustaining, and maintaining requirements. It is also in the Planning phase that resources are allocated to requirements to achieve the national security objectives and priorities.<sup>4</sup> The Programming phase identifies gaps and redundancies in force capabilities as they pertain to the strategic environment and results in the allocation of constrained resources to achieve the best capability mix. It is during the Programming phase that allocations change from perceptions and assumptions to actual programs and take the form of tangible assets (i.e. dollars, materiel, and manpower). The Programming phase culminates with resource allocation decisions, which are the foundation of the budgeting phase. The Budgeting phase translates this resource allocation into budget terms to facilitate its justification for receipt of budget authority from Congress. It is during the Budget phase that program funding takes place and resources are adjusted based on execution feedback.<sup>5</sup> The Execution phase begins when the funds are appropriated and ends when the last dollar is spent. This phase is where resources are received in support of mission needs to provide requirements and capabilities to ensure the

sustaining of the forces. It is here that the challenge becomes that of those who must execute and spend the funds more so than those managers who plan, program, and budget them.

Paramount to further discussion of this topic, it is important to define the terms—inputs, outputs, outcomes. The inputs are the amount of funds provided to the specific command, agency, or organization—the end users, and the specific programs funded. The outputs are how much is spent and on what. The outcomes are what the dollars purchase. For the purposes of this paper the measure of effectiveness of a successful resource allocation process is whether or not the outcomes satisfy organizational needs in contrast to the percent of a requirement that is funded (input) or the percent of the budget that is spent (output).

This paper starts with a review of the evolution of PPBE and proceeds to a description of today's process and participants. This provides a background for a review and analysis of each phase of the process leading to the conclusion that outcomes should be the principal measures of merit of the process.

## Resourcing the Force

### DoD Resource Reforms and Evolution

The DoD resource model has undergone an evolution since the inception of DoD in 1947. The early iteration of the budget process focused on budget estimates, which controlled actual expenditures, as totals of expenses (i.e. salaries, spare parts, or office supplies) but neglected to link them to missions or the functional structure within DoD. This extremely decentralized system resulted in a resource formulation and allocation process, which offered individual solutions for each Service and addressed the issues

one year at a time. Then mid-century the focus shifted from budget estimates to performance measures of effectiveness articulated in terms of what was purchased (quantity) and when (timeframe) such as functions, activities, and projects. The problem with this evolution was the processes remained disparate, unique to each Service; therefore not necessarily supportive of the mission or plans of DoD. Further, there was no budget continuity from year to year, as leaders changed so did priorities, objectives and planned courses of action.<sup>6</sup>

The next evolution of the resourcing system occurred in 1962. The Planning, Programming, and Budgeting System (PPBS) was developed to provide efficiencies and improvements in resourcing through the establishment of long-range planning objectives and affordability projections. The system analyzed the cost and benefit alternatives of current and proposed programs to meet the stated objectives in strategic guidance, and translated high-priority programs into budgets, and legislative proposals. PPBS provided the following capabilities and improvements: 1) it instituted a newly defined procedure that equitably distributed available resources among competing programs;<sup>7</sup> 2) it assured system financial discipline and integrity; and 3) it developed effective programs to address existing and emerging needs, and established more stringent controls on the review and approval process. However, the DoD processes lacked a focus on execution and the ability to make PPBS a synchronous all-encompassing financial resource system for strategic planning and needs identification (e.g. to address fulfilling military capabilities, develop and acquire systems, programs and budgets).<sup>8</sup> The problem with this process was that “the strategic planning process did not explicitly drive the identification of needs for military capabilities. Also, the

program and budget development processes, while imposing fiscal discipline, often failed to integrate strategic decisions into a coherent defense program. In addition, more time was being spent on deciding how much to spend on a program rather than evaluating what was received for the investment.”<sup>9</sup>

While various Defense Secretaries made some changes to the PPBS over the years, the first dramatic changes occurred in 2003. These changes, which resulted in the PPBE process we use today, were driven by a Defense Planning Guidance (DPG) tasked study led by the Honorable Pete Aldridge, former Under Secretary of Defense for Acquisition, Technology, and Logistics, to identify improvements that could be made to DoD decision-making and budgeting. Concurrently Management Initiative Decision 913 (MID 913)<sup>10</sup> directed other changes. These two efforts refined the planning phase to provide up front guidance from the Secretary and established two 2-year cycles in one 4-year Presidential Administration which among other things placed more emphasis on execution.

Today’s PPBE provides decision makers with a capability to examine and analyze information and make decisions in a volatile, uncertain, complex, and ambiguous (VUCA) environment and put them into perspective or context with resource availability. The structure of the PPBE process ensures consistency with the objectives, policies, priorities, and strategies derived from Presidential decisions and shifts focus from straight financial discipline to increased attention and emphasis on program execution performance and results documentation. Success of the process is contingent on the effectiveness of the Programming and Budgeting processes and on the shift in paradigm to place significant importance on budget execution. PPBE assists DoD in

developing strategy; identifying needs; planning programs; estimating and programming, allocating, requesting and acquiring resources. PPBE accomplishes total resource management in a single system construct and more closely aligns DoD's internal cycle with external requirements embedded in statutes and administration policy.<sup>11</sup>

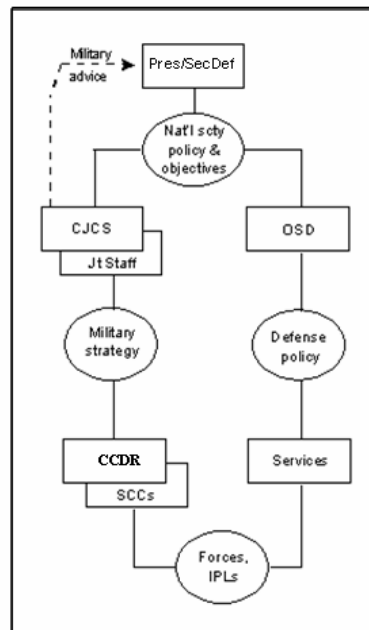
From an Army perspective, PPBE, takes guidance from the National Defense and Military Strategies as well as other sources of guidance, extracts the information relevant to the Army and then creates plans, programs, and budgets for submission to the Office of the Secretary of Defense. As is the case with the Defense-wide process, much effort is applied to allocating available resources consistent with objectives, policies, priorities, and strategies. The Army has emphasized execution review as a part of the process since the 1980s.

#### Strategic Leader Roles and Functions

The President of the United States (POTUS) sets the national objectives, policy, and strategy. His executive program mandates the focus of the government and sets the guidelines for the preparation of the annual budget to meet his National Security Strategy (NSS)<sup>12</sup> objectives.<sup>13</sup> This bears importantly on PPBE Process implementation.

The Secretary of Defense (SECDEF) receives military advice from the Chairman of the Joint Chiefs of Staff (CJCS). The SECDEF and the CJCS approve the implementation guidelines for national security policy and objectives through their National Defense Strategy (NDS)<sup>14</sup> and National Military Strategy (NMS)<sup>15</sup> documents respectively. This guidance forms the basis for operational and tactical requirements

articulated in the integrated priority lists (IPLs) of the Combatant Commands and in Service requirements to generate trained and ready forces.<sup>16</sup>



Source: HQDA, Assistant Chief of Staff, G-8, Program Analysis and Evaluation Division

Figure 1: Objectives, Policy, and Strategy

Headquarters Department of the Army (HQDA), acting for the Secretary of the Army, plans, programs, and budgets for needed manpower and dollars through the PPBE process. The goal of this activity is to provide well resourced balanced force capabilities to the Combatant Commanders in accordance with direction from the Secretary of Defense.<sup>17</sup>

At HQDA, The Assistant Secretary of the Army (Financial Management and Comptroller) (ASA (FM&C)) has overall oversight and program management responsibility for the implementation, development, and dissemination of Army-wide PPBE policy. The phase managers are the Deputy Chief of Staff, G-3/5/7 (DCofS,

G-3/5/7) for Planning, the Deputy Chief of Staff, G-8 (DCofS, G-8) for Programming, and the ASA (FM&C) for Budgeting and Execution.<sup>18</sup>

### PPBE Document Flow and Deliverables

Functional or PPBE phase manager responsibilities include, but are not limited to establishing strategy, planning capabilities, determining requirements, and programming and budgeting for those requirements and capabilities as these relate to their functional area or phase of assignment.<sup>19</sup> Each phase will be discussed here outlining the phase manager, the players and stakeholders, and the deliverables of each.

#### Planning

The process flow preceding and during the Planning phase is the development and dissemination of the following: guidance and security strategy establishing the President's goals and direction for the country, the NSS; guidance from the SecDef outlining his defense strategy, the NDS; and CJCS recommended military objectives and strategy, fiscally constrained force levels, and force options, and program risk assessment, the NMS. Also resident during this phase is the DoD Quadrennial Defense Review (QDR),<sup>20</sup> which is produced every 4 years at the beginning of a Presidential Administration and contains, among other thing, a definitive statement of Defense strategy, which drives the planning process. In addition, Combatant Commander (CCDR) appraisals of major issues and problems provide focus and direction for the development and preparation of SecDef and CJCS military and defense documents. Then the Joint Capabilities Integration and Development process identifies needed capabilities. Early in the planning process, the Strategic Planning Guidance (SPG)<sup>21</sup>

provides guidance, to balance programs to defense resource availability. Later, fiscally constrained programmatic guidance, the Joint Planning Guidance (JPG)<sup>22</sup> is published.

In the Planning phase, the Army phase manager, the DCofS, G-3/5/7, labors to analyze the threat to national security and devise appropriate implementation strategies, and prioritize courses of action.<sup>23</sup> The principal Army product of this phase is The Army Plan (TAP). This plan focuses on forecasting the direction and level of support required (domestic and abroad) for the next two to seven years to develop the force allocations required to resource the NMS forecasted strategy. Planners audit the resourcing framework to ensure that resources and processes are relevant, and that the plans, timelines, and milestones established ensure that current decisions can adapt as necessary to the strategies and changes necessary for the future.

## Programming

This phase converts planning, and congressional decisions and guidance into resource allocation details. The process documents resident in the Programming phase are the Program Objective Memoranda (POM)<sup>24</sup> in the even-numbered On-years or Program Change Proposals (PCP)<sup>25</sup> in the odd-numbered Off-years, which are used by the services to submit programming proposals. The ACoS, G8 issues guidance based on TAP and OSD directives to guide the development of these products. These are then reviewed by teams including OSD, Joint Staff, and Service representatives for compliance with guidance. Concurrently the Joint Staff is developing the CJCS assessment of the POMs, which is communicated in the Chairman's Program Recommendation (CPR), personal correspondence to the SecDef. The Senior Level Review Group (SLRG) assesses all this input and issues Program Decision Memoranda



(PDM),<sup>26</sup> which are change directives for the Service POMs and mark the end of the Programming phase. The process flow as summarized by the Office of the Secretary of Defense (OSD) is:

The services and defense agencies match their available resources against their requirements and submit program proposals. These proposals are reviewed and alternatives are presented to the Deputy Secretary of Defense to address significant programmatic issues, such as airlift capacity, readiness, or modernization issues.<sup>27</sup>

## Budgeting

This phase translates programming resource allocation into budget terminology. Each Service uses the results of the program review to produce a Budget Estimate Submission (BES)<sup>28</sup> or a Budget Change Proposal (BCP),<sup>29</sup> as appropriate, focusing on congressional interests and direction, execution performance measures<sup>30</sup>, and fact-of-life changes. The staffs of the Under Secretary of Defense (Comptroller) and OMB jointly review the BES or BCP and issue modifying Program Budget Decisions (PBDs).<sup>31</sup> The BES/BCP, as modified by the PBDs, is the baseline for the DoD budget, which becomes part of the President's Budget (PB)<sup>32</sup> submitted to Congress.

Budgeting has three distinct internal functions (i.e. formulation, justification, and execution), two of which are considered a part of the Budgeting phase of PPBE. The budget formulation and justification processes ensure costs and requirements are properly articulated and documented to defend Army resource decisions during budget reviews at all applicable levels.<sup>33</sup> OSD summarizes that the Budgeting phase (formulation and justification):

... provides a platform for a detailed review of a program's pricing, phasing, and overall capability to be executed on time and within budget. The budgeting process addresses the years to be justified in the

President's Budget (including the current and upcoming execution years) and provides a forum to develop the Secretary's budget position.<sup>34</sup>

In the Army PPBE process, the Programming and Budgeting phases are integrated. The phase manager for the Programming phase is the DCofS, G-8<sup>35</sup> who in consonance with the Budgeting phase manager, the Army Budget Office (ABO)<sup>36</sup> strives to achieve a single seamless decision-making process. During these integrated phases programming guidance is issued by DCofS, G8 while formulation and execution guidance is issued by ABO to the Army community, which ensures compliance with OSD and OMB implementation guidance. ABO then disseminates the guidance to resolve any funding policy issues, and determines the impact COA revisions or strategy and policy changes might have on the process.<sup>37</sup>

## Execution

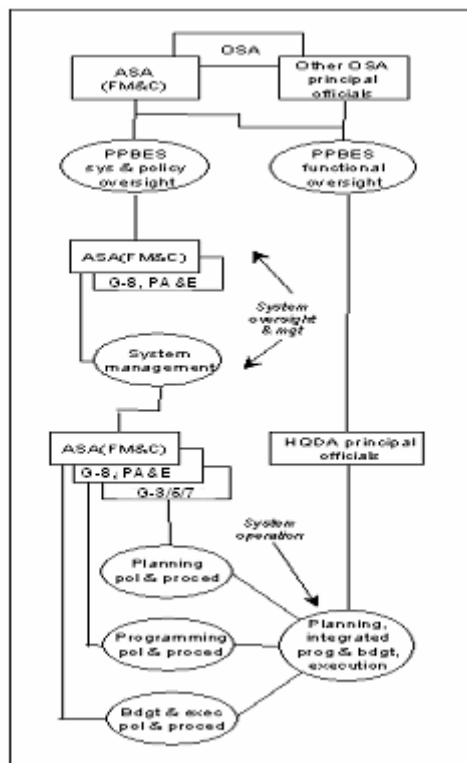
Current year budget execution begins on October 1, around the same time that the Planning phase begins for the following year's PPBE cycle. This phase, which begins with the Presidential signature on the appropriations bill; Treasury issuance of Treasury Warrants; OMB apportionment of congressional appropriations; and DoD allocation of budget authority to the Components and Services, starts the Services' and military agencies' execution of funds against program ceilings.<sup>38</sup> OSD outlines the functions of the Execution phase as:

During execution funds are allocated, obligated, and expended to accomplish DoD's plan. In addition, execution entails the rigorous monitoring and reporting of actual results to budgeted, anticipated results, along with causes of variances and planned corrective actions, if necessary.<sup>39</sup>

ABO, the Execution phase manager<sup>40</sup> performs the following duties and responsibilities within the Army: disseminates execution guidance; is responsible for the

defense, presentation, control, and execution management of OMA funds up and down the organizational hierarchy. They also “...serve as the focal point for the MACOMs to interface with HQDA on operating budget issues.”<sup>41</sup>

Figure 2 below summarizes the overall system management and the primary departments, directorates, and offices of control, authority and responsibility within the Army.



Source: HQDA, Assistant Chief of Staff, G-8, Program Analysis and Evaluation Division

Figure 2: System Management

### PPBE Process Review and Analysis (R&A)

The design of PPBE facilitates the allocation of available resources based on necessary changes to previous funding levels. This is done by matching available funding to missions and programs in accordance with published guidance and senior

leader priorities. Though long-standing and seemingly successful, this resourcing method only requires measurement of the recipients' expenditure of the funds provided to it, not whether or not the expenditures achieved the intended results. Expenditure of funds budgeted —outputs— become the metric by which success is measured to the programs resourced rather than whether or not those purchases were what were required to accomplish the desired mission status—outcomes. When expenditure choice changes are made during the execution phase, inputs, outputs and outcomes become pieces from very different puzzles. The balance of this paper will consider whether the process adequately considers execution or what is actually done with the resources actually appropriated.

It will assess each phase of the PPBE process in terms of its action and functional managers, effectiveness at using its inputs to provide the outputs necessary for the next phase or in the case of Execution, the end user of the resources. It will critique the phases in terms of whether the desired outcomes (not outputs) are achieved. This assessment will include various internal and external critiques as well as the author's experience. It will articulate the actions and what the action provides to whom, the focus of the action, target of the capabilities, level of resolution achieved and the outcome and impact actually received once the funds are executed. The R&A will identify what we know, what we think we know, what PPBE does well, and what we think it does not achieve. It will examine from an outcome or impact perspective the transition and linkage of inputs—to outputs—to outcomes.

## Planning

The first Planning phase critique comes from inside OSD as part of the Aldridge, Joint Defense Capabilities Study, January 2004, which cites three major problems in the Planning phase of PPBE: needs are defined at the Component level; it focused on the product rather than capability outputs; and it financed new or enhanced programs through reprogramming from other programs at Service or agency level— a zero-sum game. The study recommended the up front definition of outcome-focused needs; the division of responsibility for needs and solution determination to CCDRs and Services respectively; the movement of reprogramming authority to the Department-level; and the collaboration of all stakeholders on changes.<sup>42</sup> While capabilities-based resourcing has been implemented to an extent since the Aldridge Study, and improvements as outlined above have taken place, other pundits believe problems still exist in the planning phase.

In the second critique, the Government Accountability Office (GAO) says the planning or need identification process of PPBE is ineffective in that the DoD:

...approves proposed programs with much less consideration...commits to them earlier and with less knowledge of cost and feasibility...though the military fight jointly...although the military services fight together on the battlefield as a joint force, they identify needs and allocate resources separately, using fragmented decision-making processes that do not allow for an integrated, portfolio management approach like that used by successful commercial companies. Consequently, DOD has less assurance that its investment decisions address the right mix of warfighting needs, and, ...it starts more programs than current and likely future resources can support, a practice that has created a fiscal bow wave. If this trend goes unchecked, Congress will be faced with a difficult choice: pull dollars from other high-priority federal programs to fund DOD's acquisitions or accept gaps in warfighting capabilities.<sup>43</sup>

Finally in the third critique, Paparone, associate professor in the Army Command and General Staff College's (CGSC's) Department of Logistics and Resource

Operations wrote in his November 2006 article in the journal, *Army Logistician*, that the assumption of a relatively stable environment and the ability of the national strategy documents to factually predict today's needs as well as predict future requirements is ludicrous. Dr. Paparone's article, "Resourcing the Force in the Midst of Complexity: The Need to Deflate the "ppb" in PPBE," identifies multiple criticisms, flaws and defects of the linear and rational PPBE process resident with non-PPBE supporters over the decades of its existence. He offers that a consideration of a more transformational view might be more appropriate in this VUCA environment.<sup>44</sup> Also, by inference, he asserts that execution, how the money is spent, needs to be accorded more importance in the process.

The above criticism articulates some of the perceived problems faced by DCoFS, G-3/5/7 as it executes its full-spectrum planning responsibility to convert national, defense, and military guidance into Army warfighting capabilities as defined in the Army Campaign Plan. However, the coordination and planning done by the DCoFS, G-3/5/7 ensures optimal resource allocation and Soldier benefit through multiple iterations of review and analysis on program requirements, both funded and unfunded through the 1-n<sup>45</sup> and integrated priority list (IPL) processes.<sup>46</sup> The Planning phase, though stagnant and inflexible in its methods, is the best we have and accomplishes the desired results to the extent national guidance, strategy and policy are representative of our strategic aims and the operational environment of the world and the state and non-state actors resident in it. Therefore, the project will not focus on recommendations for its improvement or the mapping of functions and operations of this phase to inputs, outputs, and outcomes.

## Programming and Budgeting

Critics of PPBE offer specific problems, in the integrated programming and budgeting phase, which, in their opinions and based on studies and research, renders the process ineffective.

The first critique, the Aldridge Study, sees the problems as the DPG (as initially titled at the time of the study, since replaced by the SPG and JPG) requirements are unrealistic, and the process costs are exorbitant in time and decrements to inter- and intra-organizational relationships. He states that “jointness” is a costly after-thought which creates the probability of wasted resources due to overlaps, and filling joint capability gaps and inconsistencies is expensive. All of these result in problems during these phases.<sup>47</sup>

GAO, the second critique, identified three process short-comings specific to PPBE programming and budgeting. First, GAO considered that the process was inflexible and unable to accommodate emerging unexpected requirements or technological improvements to programs or systems planned or previously programmed through the POM. Secondly, they thought the structure of these phases did not support joint operational needs and that though Defense thinking, planning, and organizing was joint, PPBE continues to resource in terms of the individual Services. Finally, GAO was concerned that the requirements and acquisition processes are not synchronized with PPBE, more specifically; requirements are defined as capabilities while the allocation process is designed to allocate by individual Service.<sup>48</sup>

The third critique, made by Paparone, considers PPBE to possess a “central idea that objectivity can be verified and positive knowledge determined empirically...and that assumptions behind DoD strategic planning include a belief that predicting pathways to

achieving goals will bring finality to solving problems.”<sup>49</sup> Additional assumptions set-forth by Dr. Paparone’s CGSC Silver Pen Award winning article are: programs spawn specific expectations, which blind managers to the true nature of things and cause focus on predictions; managers strive for stability through standardization versus ad hoc or reactionary actions resulting from current situations; and people locked to top-down guidance, strategy and policy, functioning within the system, tend to focus on predictions from models and past experience rather than on realities faced at the lowest levels.<sup>50</sup>

Paparone also talks about systems such as PPBE providing transient rather than permanent solutions to problems. In large measure, he felt it was due to the lead times required by the system and the resultant lack of actionable feedback from the end user of the resources. He considers that programming and budgeting phases exemplify hierarchical concepts of authority which DoD should decrease as it increases reliance on concepts of heterarchical (of more than one kind) leadership basing the process less on the who and where of the player in the hierarchy and more on the quality of the decision. The subtle inference here is leadership as opposed to authority drives attitudes and controls the operational tempo and who is allowed to play in decision making. PPBE viewed as a social climate or atmosphere conforms to the theory of planning set forth by Horst Rittel and Melvin Weber’s article, “Dilemmas in a General Theory of Planning,” where they observe that, “social problems are never solved...at best they are only resolved—over and over again.”<sup>51</sup>

Finally, Paparone asserts that the aspects of PPBE problems, in a social environmental context, are: the complex problems don’t become less ambiguous or



complex with the influx of a multiplicity of information and the future can not be predicted to any degree of certainty allowing in some instances for irreversible negative results due to the unintended consequences of decisions made; problems and solutions are not necessarily in synch with each other and often solutions are overcome by the events of the operational environment and are infused only with the values of the powerful at the top; and top-down guidance and decision criteria that are force-fed to the phase managers and lower-level players instill cynicism, mindless acceptance and compliance with the hierarchical chain of command instead of evoking professional opinions and trend or fact supported decision-making based in reality.<sup>52</sup>

Another indication of the relative importance of execution is the exorbitant amount of time spent on planning, programming, and budgeting. The Department spends almost 20 months (it must be noted that eight of these months are spent by Congress reviewing the budget) on these activities and only 12 months actually spending the money to achieve desired outcomes. The construct of PPBE focuses the preponderance of its efforts and concerns on the Planning, Programming, and Budgeting phases and little on the Execution phase except as it pertains to acknowledging the level to which program plans, Congressional, Presidential and Secretariat guidance, policy, and strategy have been satisfied by the resourcing decisions. OSD purports that, "The final output of PPBE is the submission of the DoD budget to the President for approval and to Congress for authorization and appropriation."<sup>53</sup> This statement is representative of the overall attitude that pervades the resourcing hierarchy and implementation methodology of PPBE. It is the Execution phase of PPBE that most requires reform and refocusing.

The Programming phase is problematic because it is riddled with decisions that are the product of strategic leaders' preconceived ideas and attitudes, and operational environment volatility rather than the true resourcing needs of the forces. Making fixes to the quality and specificity of data provided into the process and refocusing it more on what comes out than what is reported upward. The Budgeting phase is simply the restatement of the decisions made in the Programming phase and will self-correct as the Programming phase is adjusted. For these reasons, this paper will not invest any further effort on recommending changes or improvements to these phases.

## Execution

The comprehensive analysis performed leading up to the release of the PB answers the following questions according to OSD:

- Does the budget reflect the SecDef's and the President's priorities?
- Does it support the Administration's policies and initiatives?
- Does it appropriately reflect legislative direction that may have been included in DoD and Military Construction Appropriation Acts, the Defense Authorization Act, and the Intelligence Authorization Act for the current fiscal year?
- Does it reflect earlier guidance, for example, the Program Decision Memorandum (PDM) and planning guidance?
- Are the programs funded in a manner that is consistent with legal limitations and financial policy guidance?
- Are the programs appropriately priced, based on sound estimating and cost principles, and executable as proposed?
- Can the programs and the budget estimates be justified to the Congress?<sup>54</sup>

As postulated in the premise of this paper and evidenced by the OSD statement and analysis questions outlined above, the review and performance measurement

processes imbedded in PPBE and implemented as a result of it are intended to focus upward on progress, performance, or execution as it pertains to the distribution and allocation of funds to programs, policies, strategies, and capabilities articulated to OSD, OMB, and Congress. It does not focus downward on how effectively and efficiently the funds were distributed to meet the true needs, requirements, or capabilities of the forces not specifically captured in the “big picture” programs outlined in the program and budget documents.

The Army Force Management School substantiates this claim in its DoD PPBE 2006 Executive Primer by stating:

It is only in the execution of the approved and resourced programs that we can evaluate the work that has gone into the earlier three stages of the process or simply stated—did we get the results we expected and for which we paid?...We have to make certain that we get the best output—the most progress towards our stated goals—for the resources that the process makes available...We have, in the past, transferred responsibility to the field commanders for execution. We have to look at program execution in terms of the program outputs and not simply as the accounting for funds obligated and expended through the finance system.<sup>55</sup>

The Aldridge Study found that the problems during this phase were that it focused on meeting execution guidelines set forth in financial management regulations, it was very complicated and drawn out, it didn’t consider the toll on people, and data derived from this phase did not benefit the decisions made by the leadership. Since this study was published in 2004, PPBE changes have been implemented to address the previously stated problems to some degree, but this implementation did not arrest the over-arching problem of not knowing the true cost of resourcing the force in the categories and quantities spent for whom and by whom— it continues to look upwards.<sup>56</sup>

PPBE problems as articulated by functional experts, resource management professionals, and end users or recipients of the resources allocated by the cyclic processing of PPBE are: the process sets a baseline which is not always representative of current funding situations and the system is not designed to detect the disconnects or require full-disclosure of the Services and Commands; it does not capture requirements or funding needs the same as they are spent which requires them to be re-categorized once received; funding received is most often less than required and arrives without guidance on closing the capability gaps; and the IPL list is an exercise in futility and normally does not result in any tangible benefits for the organization. Functional managers contend that too little attention is focused on execution and when addressed, the focus is misplaced. Paparone agrees and says "...deemphasize the "ppb" in PPBE and be attentive...to executing..."<sup>57</sup>

#### PPBE Execution Phase Impacts and Recommendations

Execution phase impacts and recommendations are based on the problems and process shortcomings outlined by project pundits, resource management functional experts, and personal experience. This research and experience finds that PPBE is good at allocating funds to the known programs and missions as designed to meet Service—not joint—needs within the funding levels available, providing tangible deliverables at the level of specificity required for compliance with hierarchical requirement justifications and requests; and distributing funds to support the programs and most visible missions justified by CCDRs based on fund requests and prior precedence, but does not necessarily get funds specifically where needed for execution; therefore, the impact can result in funding misalignments. Once DA has released the

funds to the Commands and their subordinate organizations, the Commands are in control of them; therefore, the impact is that decisions are outside of PPBE purview and Commands can realign funds within funded allocation. Because of insufficient emphasis on execution, Commands move money to match critical needs and the system does not report the changes in execution higher. The process lacks the rigor required to hold recipients formally accountable, save 99-100% year-end or program-end execution, for prudent fiduciary stewardship of the funds under the control of the Command.

PPBE allocation and distribution of funds are not specific enough for the needs of the actual users as is apparent by the recurring annual program shortages and failures. DA's frantic stopgap measures used at month and year-end to balance the books provide proof positive that PPBE is in need of an overhaul, refocusing, and adjustment in real-time to eradicate Command over-expenditures and needs for supplemental non-contingency fund distributions. A viable solution that enhances the Execution phase responsiveness to end-user needs would require changes beginning at the Programming phase of the resourcing process that would incorporate a zero-based programming and budgeting requirements update to justify variable costs and revalidate fixed costs. Distribution or allocation focuses more on the inputs required for the upwards reporting and justification, rather than the outcomes and impacts desired and realized by the downward resourcing. The funding process should be a bottoms-up requirements and line-by-line justification and results oriented review. The process must be expanded to go beyond the identification of the funds available, and how much has been spent previously on certain programs and Commands. It must go beyond how much should be allocated to each program or Command based on what inputs were

programmed or modeled to require analysis and articulation of what outputs were actually required and bought (not did all distributed funds get executed). The process must focus on the effects of what was bought to achieve mission outcomes and support the troops. It is realized this would require a substantial outlay of assets (i.e. dollars, personnel, and materiel), but would result in better and more current data, allow executors to report execution accurately, and programmers and budgeters to use more accurate data to inform their decisions.

### Conclusion

PPBE measures the recipients' expenditure of the funds provided against predetermined resource execution timelines and defines success, as the measurement of execution against program and budget levels at program and year's end. Expenditure of the quantity of funds becomes the metric by which success is measured reducing the emphasis on definitively stating what the funds purchased and whether or not those purchases were what were required or simply what available funds afforded in terms of support, goods, services, and capabilities. This is postulated based on 28 years of government service on the recipient end of PPBE in three functionally diverse Commands with responsibility for multiple appropriations across varied program element managers at DA. Over the years many colleagues experienced similar funding disconnects.

Funding constraints mandate that the scarce funds available are used where needed to ensure the highest priority requirements are funded only at required funding levels, that lower priority requirements are either funded or not required to be executed, and that the funds provided are actually spent as programmed or tracked against

Commander initiatives and prioritized accordingly. This mandate results from continually dwindling resources, increasing and extended contingencies, and pressure of policy-makers and the taxpayers for the government to be more prudent and accountable for the expenditure of the limited resources at its disposal. Therefore, it is very important that resourcing and execution processes are as effective and efficient as possible. To ensure the expenditure of precious U.S. funds results in support of our troops and mission accomplishment, the closest scrutiny must be invoked to determine what we fund, why we fund it, and that it is funded adequately—not over-funded, and that what is desired in capabilities, products, and services is obtained.

The established practices of years past must be reviewed for other possible process improvements, which hold the players and stakeholders responsible for performing the necessary review and analysis, and the reporting and documenting of what is required to correctly plan, program, budget, and execute the resources. The process must be more rigorous to transcend algorithms, models, and prior precedents. DA must invest resources in validating the requirements information by having the Commands provide a zero-based budget of the total requirements and their cost as opposed to the requirement to explain by exception only the changes. It is also a requirement to force Commands to justify their execution by reporting not only the amount spent, Management Decision Package (MDEP) and appropriation used (outputs), but also articulate what was purchased, what was accomplished toward the overall resourced mission, and whether the expenditures accomplished achieved the programmed end-result (outcomes). DoD should revise the PPBE process to utilize the current performance-based measurement system approach to measure output

specificity—actual expenditures in their purest form not rolled into POM generic programs—in terms of outcomes to achieve the recommended reforms. A refurbishment of our current process, and use of more stringent reporting, validating, and justification requirements to track the success of the process is required.

## Endnotes

<sup>1</sup> U.S. Army, Deputy Chief of Staff, G-8 (DCofS, G8), “The Army MDEP Procedures Guide; Introduction; Resource Management Task; PPBES Concept,” available from [https://www.paed.army.mil/MDEPProcGuide/01/06\\_ppbes\\_concept.html](https://www.paed.army.mil/MDEPProcGuide/01/06_ppbes_concept.html); Internet; accessed 8 January 2008.

<sup>2</sup> Ibid.

<sup>3</sup> Army Force Management School, *Department of Defense Planning, Programming, Budgeting, and Execution (PPBE) Process/Army Planning, Programming, Budgeting, and Execution (PPBE) Process: An Executive Primer* (Fort Belvoir, VA: Army Force Management School, May 2006), 4 ; available from <http://www.afms1.belvoir.army.mil/pages/primers/DoD%20Army%20PPBE%20Primer%202006%20as%20of%2014%20Dec%2020051.pdf>; Internet; accessed 14 February 2008.

<sup>4</sup> Leslie Lewis, Roger Allen Brown, and John Y. Schrader, “Appendix A: Army Programming Pre – 1995,” in *Improving the Army Planning, Programming, Budgeting, and Execution System (PPBES): The Programming Phase* (Santa Monica, CA: RAND, 1999), 59 ; available from [http://www.rand.org/pubs/monograph\\_reports/MR934/MR934.appa.pdf](http://www.rand.org/pubs/monograph_reports/MR934/MR934.appa.pdf); Internet; accessed 10 December 2007.

<sup>5</sup> U.S. Army, Deputy Chief of Staff, G-8 (DCofS, G-8), “The Army MDEP Procedures Guide; Introduction; Resource Management Task; PPBES Objectives,” available from [https://www.paed.army.mil/MDEPProcGuide/01/07\\_ppbes\\_objectives.html](https://www.paed.army.mil/MDEPProcGuide/01/07_ppbes_objectives.html); Internet; accessed 8 January 2008.

<sup>6</sup> Office of the Under Secretary of Defense Comptroller, “The Historical Context,” linked from *The OSD Center Home Page* available from [www.defenselink.mil/comptroller/icenter/budget/histcontext.htm](http://www.defenselink.mil/comptroller/icenter/budget/histcontext.htm); Internet; accessed 16 January 2008.

<sup>7</sup> Office of the Under Secretary of Defense Comptroller, “PPBS Introduced to Improve the Budgeting Process” linked from *The OSD Center Home Page* available from [www.defenselink.mil/comptroller/icenter/budget/histcontext.htm](http://www.defenselink.mil/comptroller/icenter/budget/histcontext.htm); Internet; accessed 16 January 2008.

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.



<sup>10</sup> Col Anthony Glenn, *Implementing Management Decision Initiative 913: A Study on Effective Change Management*, Civilian Research Project (Linthicum, MD: Northrop Grumman Corporation, Electronic Systems, March 2004), 6; available from [www.ndu.edu/sdcfp/reports/2004reports/NGES04.doc](http://www.ndu.edu/sdcfp/reports/2004reports/NGES04.doc); Internet; accessed 10 December 2007.

<sup>11</sup> Office of the Under Secretary of Defense Comptroller, "PPBS Becomes PPBE—A Focus on Execution," linked from *The OSD Center Home Page* available from [www.defenselink.mil/comptroller/icenter/budget/histcontext.htm](http://www.defenselink.mil/comptroller/icenter/budget/histcontext.htm); Internet; accessed 16 January 2008.

<sup>12</sup> *Annual National Security Strategy Report, U.S. Code*, Title 50, Chapter 15, Sub-chapter I, sec. 404a, linked from *The Cornell University Law School Web Site*; available from [http://www4.law.cornell.edu/uscode/50/usc\\_sec\\_50\\_00000404---a000-.html](http://www4.law.cornell.edu/uscode/50/usc_sec_50_00000404---a000-.html); Internet; accessed 29 March 2008. **The National Security Strategy (NSS)** identifies key national interests such as protecting the lives and safety of Americans, maintaining the sovereignty of the United States and providing for the prosperity of the nation and its people.

<sup>13</sup> U.S. Army, Deputy Chief of Staff, G-8 (DCofS, G-8), "The Army MDEP Procedures Guide; Program Development; Process and Forums; Objectives, Policy, Strategy," available from [https://www.paed.army.mil/MDEPProcGuide/04/01\\_obj\\_policy\\_strat.html](https://www.paed.army.mil/MDEPProcGuide/04/01_obj_policy_strat.html); Internet; accessed 8 January 2008.

<sup>14</sup> U.S. Department of Defense, *The National Defense Strategy of the United States of America* (Washington, D.C.: The Pentagon, March 2005), iv. **The National Defense Strategy (NDS)** outlines an active, layered approach to the defense of the nation and its interests. It seeks to create conditions conducive to respect for the sovereignty of nations and a secure international order favorable to freedom, democracy, and economic opportunity. This strategy promotes close cooperation with others around the world who are committed to these goals. It addresses mature and emerging threats.

<sup>15</sup> *Armed Forces, Chairman: Functions, U.S. Code*, Title 10, Sub-title A, Part I, Chapter 5, sec. 153 (d), linked from *The Cornell University Law School Web Site*; available from [http://www.law.cornell.edu/uscode/uscode10/usc\\_sec\\_10\\_00000153----000-.html](http://www.law.cornell.edu/uscode/uscode10/usc_sec_10_00000153----000-.html); Internet; accessed 29 March 2008.; Internet; accessed 20 January 2008. **The National Military Strategy of the United States (NMS)** — is issued by the Chairman of the Joint Chiefs of Staff as a deliverable to the Secretary of Defense briefly outlining the strategic aims of the armed services. The NMS's chief source of guidance is the National Security Strategy document. The Chairman of the Joint Chiefs of Staff (CJCS), in consultation with the other members of the Joint Chiefs of Staff (JCS), the Commanders of the Unified Combatant Commands (CoComs), the Joint Staff and the Office of the Secretary of Defense (OSD), prepares the National Military Strategy in accordance with 10 U.S.C., Section 153. Title 10 requires that not later than February 15 of each even-numbered year, the Chairman submit to the Senate Committee on Armed Services and the House Committee on Armed Services a comprehensive examination of the national military strategy. This report must delineate a national military strategy consistent with the most recent National Security Strategy prescribed by the President; the most recent annual report of the Secretary of Defense submitted to the President and Congress; and the most recent Quadrennial Defense Review conducted by the Secretary of Defense. The NMS Report must provide a description of the strategic environment and the opportunities and challenges that affect United States national interests and United States national security. The Report must describe the most significant regional threats to US national interests and security as well as the international threats posed by terrorism, weapons of mass destruction, and asymmetric

challenges. After describing the security environment in which military forces will operate, the NMS Report must specify the “ends,” “ways,” and “means” of the strategy. US national military objectives are the “ends,” describing what the Armed Forces are expected to accomplish. The NMS report describes the relationship of those objectives to the strategic environment, regional, and international threats. Strategic and operational concepts are the “ways” of the strategy and describe how the Armed Forces conduct military operations to accomplish the specified military objectives. Finally, the NMS report must describe the adequacy of capabilities—the “means”—required to achieve objectives within an acceptable level of military and strategic risk

<sup>16</sup> Ibid.

<sup>17</sup> U.S. Army, Deputy Chief of Staff, G-8 (DCofS, G-8), “The Army MDEP Procedures Guide; Introduction; Resource Management Task; PPBES DA’s Role,” available from [https://www.paed.army.mil/MDEPProcGuide/01/04\\_da\\_role.html](https://www.paed.army.mil/MDEPProcGuide/01/04_da_role.html); Internet; accessed 11 January 2008.

<sup>18</sup> DCofS, G-8, “The Army MDEP Procedures Guide; Introduction; Resource Management Task; PPBES Objectives.

<sup>19</sup> U.S. Army, Deputy Chief of Staff, G-8 (DCofS, G-8), “The Army MDEP Procedures Guide; Program Development; Process and Forums; System Management,” available from [https://www.paed.army.mil/MDEPProcGuide/04/03\\_system\\_management.html](https://www.paed.army.mil/MDEPProcGuide/04/03_system_management.html); Internet; accessed 8 January 2008.

<sup>20</sup> *Armed Forces, Quadrennial Defense Review, U.S. Code*, Title 10, Sub-title A, Part I, Chapter 2, sec. 118, linked from *The Cornell University Law School Web Site*; available from [http://www4.law.cornell.edu/uscode/html/uscode10/usc\\_sec\\_10\\_00000118----000-.html](http://www4.law.cornell.edu/uscode/html/uscode10/usc_sec_10_00000118----000-.html); Internet; accessed 29 March 2008. **The Quadrennial Defense Review (QDR) Report** — is an authoritative source of defense strategy built around the concept of shifting to a “capabilities-based” approach to defense. While we cannot know with confidence what nation, group of nations, or non-state actor might pose a threat to US vital interests or those of our allies and friends in the future, it is possible to anticipate the capabilities an adversary might employ to coerce neighbors, deter the US from acting, or attack the US or its deployed forces.

<sup>21</sup> Office of the Under Secretary of Defense Comptroller, “PPBE — Planning.” **Strategic Planning Guidance** — is one of the three elements in the Joint Capabilities Development process and one of the five documents used in the Planning process, the SPG is issued early in the Planning process to provide overall policy and strategy guidance to be used in developing the defense program. It provides DoD Components with direction on defense policy, strategy, force and resource planning, and fiscal matters for use in developing their POMs.

<sup>22</sup> Ibid. **Joint Programming Guidance (JPG)** — is the final document of the Planning process. JPG is issued in On- (even-numbered) years by OSD, and contains fiscally constrained programmatic guidance and performance measures. JPG drives the development of the Program Objective Memoranda (POM) and Budget Estimate Submissions (BES). In Off-years (odd-numbered years), Strategic Planning Guidance and Joint Planning Guidance are not expected to introduce major changes to the defense program, except as directed by the Secretary or Deputy Secretary of Defense. A primary purpose of the Off-Budget year is to evaluate the execution of the planning goals and strategy contained in SPG and JPG, and to make adjustments as necessary.

<sup>23</sup> Ibid.

<sup>24</sup> Office of the Under Secretary of Defense Comptroller, “PPBE — Programming,” linked from *The OSD Center Home Page* available from [www.defenselink.mil/comptroller/icenter/budget/prophase.htm](http://www.defenselink.mil/comptroller/icenter/budget/prophase.htm); Internet; accessed 16 January 2008. **Program Objective Memoranda (POM)** — is formulated and submitted in even-numbered On- years contain recommended programming and resource allocations. The POM includes an analysis of missions, objectives, alternative methods to accomplish objectives, and allocation of resources. With the implementation of a two-year budget cycle, a new document, the Program Change Proposal (PCP)—was introduced into the budgeting process to address urgent matters that need action during the Off-year. The services and defense agencies use the POM process in the even-numbered On-years. In addition to the current budget year, the POM is a seven-year plan that is organized within program categories, such as conventional forces or special operations; and by type of resource, such as funding or manpower. The program provides for four years beyond the budget year for cost and manpower, and seven years beyond the budget year for forces.

<sup>25</sup> Ibid. **Program Change Proposals (PCP)** — are used in odd-numbered Off-Budget years, instead of POM, to request changes to the baseline budget set forth in the Future Years Defense Program (FYDP). The expectation is that there will be few changes to that baseline and that only urgent issues will be addressed. All other items are deferred to the following year for consideration during the full-scale planning and programming process. In addition, each PCP must net to zero, meaning that proposed increases to programs must be offset by proposed program decreases

<sup>26</sup> Ibid. **Program Decision Memorandum (PDM)** — is the document where POM review results are documented and signed by the SecDef or Dep SecDef (Each service receives a separate PDM). The PDM is the final document of the Programming process and contains decisions of the SecDef regarding programs and resources.

<sup>27</sup> Ibid.

<sup>28</sup> Office of the Under Secretary of Defense Comptroller, “PPBE — Budgeting.” **Budget Estimate Submission (BES)** — is issued during the even-numbered On-Budget years, contains recommended budget estimates based on aggregated inputs from operational organizations and field Activities. The BES is the primary document used by the services and defense agencies to submit budget estimates. Each budget estimate is based on the programs and fiscal guidance contained in the POM; and includes the prior, current, and two budget fiscal years. For example, the FY06 Budget Submission includes data from FY04, FY05, FY06, and FY07. The FY07 Budget Submission will include data from FY05, FY06, and FY07. Data for the four years beyond the budget year is derived from the Future Years Defense Program (FYDP). In even-numbered years On-Budget years, the Defense Components conduct a detailed budget development process. Program managers develop their own estimates within budgetary constraints from Headquarters and prepare their BES documents. Their estimates undergo a significant amount of scrutiny, which may result in the realignment of resources within the Agency or Department prior to submission of their budget to Office of the Secretary of Defense (OSD). Once the budgets are developed, they are submitted to the Under Secretary of Defense (Comptroller) (OUSD(C)) for review. With the implementation of a two-year budget cycle, the Budget Change Proposal (BCP) document was introduced into the budgeting process to address fact-of-life changes and urgent matters that need action during the odd-numbered Off-Budget year.

<sup>29</sup> Office of the Under Secretary of Defense Comptroller, “PPBE — Programming,” **Budget Change Proposals (BCP)** — are issued during odd-numbered Off-Budget years to request budget changes to the baseline program. In odd-numbered Off-Budget years, DoD Components prepare and submit Budget Change Proposals (BCP) instead of Budget Estimate Submissions. The Future Years Defense Program accompanying the preceding President’s Budget (PB) is the baseline, and the expectation is that there will be little change. Fact-of-life changes that may be addressed by a Budget Change Proposal include cost increases, schedule delays, workload changes, and changes resulting from congressional action. Similar to the Program Change Proposal, the Budget Change Proposal must net to zero; that is, proposed budget increases must be offset by proposed budget decreases in the aggregate for each DoD Component.

<sup>30</sup> Ibid. **Performance Measures**—with the evolution of PPBS to PPBE and the increased emphasis on the appropriate allocation of resources and proper execution of the budget, are a primary aspect of preparing budget estimates is the inclusion of performance metrics. Whether existing or needing to be developed, metrics are intended to measure the performance that is most relevant to a particular functional area and form the basis of the analytical underpinning to determine whether appropriate allocations of resources exist in current budgets. Stemming from DoD’s increased focus on program performance and results, the budget execution review conducted in odd-numbered Off-Budget years allows DoD to assess current and previous resource allocations and determine whether DoD achieved its planned performance goals. To the extent that an existing program is failing to meet its goals, recommendations may be made to replace it with alternative solutions or to adjust funding to correct resource imbalances. OUSD(C) uses metrics that DoD Components submit as part of their budgets to make informed resource allocation decisions.

<sup>31</sup> Office of the Under Secretary of Defense Comptroller, “PPBE — Budgeting,” linked from *The OSD iCenter web site*, available from <http://www.defenselink.mil/comptroller/icenter/budget/budgphase.htm>; Internet; accessed 16 January 2008. **Program Budget Decisions (PBD)** — are a budget decision document issued by OSD and OMB during the joint review of the service and defense agency budget submissions. The detailed OSD budget review supports the development of resource alternatives that are articulated in a series of Program Budget Decisions (PBD). Program Budget Decisions are coordinated with all of the stakeholders on a particular issue. Through this review process, all perspectives—including those of the Chairman of the Joint Staff, Under Secretaries of Defense, Service Secretaries, and OMB—are considered as an integral part of the decision-making process. In his deliberations, the Deputy Secretary of Defense considers the PBD and, also the responses prepared by all interested parties. The PBD review also known as the Fall Review, the budget review addresses two years in the even-numbered On-Budget year review and one year in the odd-numbered Off-Budget year review. During the review, OSD and OMB focus on areas of interest to the Administration and assess the overall Department budget on pricing, reasonableness, and ability to be executed. Their independent analysis forms the starting point for the fiscal guidance that is ultimately provided to DoD in the form of “pass-back” guidance, which usually includes the Administration’s determinations on inflation, pay changes, the overall top-line and any special interest items. Concurrent with the review process, Program Budget Decision (PBD) documents are recorded into the Comptroller’s Information System and the current status of the budget review becomes available as needed. Once decisions have been made on any issues identified by the Comptroller or OMB, the Defense Components are given an opportunity to resolve the issues with OUSD(C) as an out-of-court settlement or, subsequently, to appeal directly to the Secretary of Defense. Major Budget Issues (MBI) sessions are generally held in mid-December. Subsequent to MBI sessions, the Secretary may meet with the President to resolve any

significant issues between the Department's required program and the approved top-line provided by OMB. Following the final decisions, the Comptroller integrates all of the changes and prepares the President's budget submission. The Comptroller electronically transmits summary budget data to OMB in early January with supporting documentation prepared by the Components. The summary budget data are standard for all of the federal agencies. However, documentation to support the Defense budget is based on standing agreements, legislative requirements, and discussions between DoD, OMB, and the congressional oversight committees. The Comptroller staff reviews all supporting documentation to ensure that it follows these agreements, properly reflects the Secretary's direction and decisions, and adequately justifies the requested resources.

<sup>32</sup> Ibid. **President's Budget (PB)**—is the budget for a fiscal year, transmitted to Congress by the President by the first Monday in February.

<sup>33</sup> U.S. Army, Deputy Chief of Staff, G-8 (DCofS, G8), "The Army MDEP Procedures Guide; Program Development; Programming and Budgeting; Integrated Process," available from [https://www.paed.army.mil/MDEPProcGuide/04/07\\_integrated\\_process.html](https://www.paed.army.mil/MDEPProcGuide/04/07_integrated_process.html); Internet; accessed 8 January 2008.

<sup>34</sup> Office of the Under Secretary of Defense Comptroller, "PPBE — Budgeting."

<sup>35</sup> DCofS, G-8, "The Army MDEP Procedures Guide; Program Development; Process and Forums; System Management."

<sup>36</sup> U.S. Army, Deputy Chief of Staff, G-8 (DCofS, G8), "The Army MDEP Procedures Guide; Quick Reference; Glossary," available from <https://www.paed.army.mil/MDEPProcGuide/08/01/index.html>; Internet; accessed 8 January 2008.

<sup>37</sup> Office of the Director for Army Budget, "Management and Control Directorate (BUC)," in *Organization and Functions Manual, Draft*, 7 June 2007, linked from *The ASA(FM&C) Web Site* available from <http://www.asafm.army.mil/secretariat/org/of/abo/buc.asp>; Internet; accessed 10 January 2008.

<sup>38</sup> Office of the Under Secretary of Defense Comptroller, "PPBE — Execution," linked from *The OSD iCenter web site*, available from <http://www.defenselink.mil/comptroller/icenter/budget/budgphase.htm>; Internet; accessed 16 January 2008.

<sup>39</sup> Ibid.

<sup>40</sup> DCofS, G-8, "Program Development; Process and Forums; System Management."

<sup>41</sup> Office of the Director for Army Budget, "Operations and Support Directorate (DOS)," in *Organization and Functions Manual, Draft*, 7 June 2007, linked from *The ASA(FM&C) Web Site* available from <http://www.asafm.army.mil/secretariat/org/of/abo/buo.asp>; Internet; accessed 10 January 2008.

<sup>42</sup> Joint Defense Capabilities Study Team, *Joint Defense Capabilities Study: Improving DoD Strategic Planning, Resourcing and Execution to Satisfy Joint Capabilities*, Final Report (Washington, D.C.: Joint Defense Capabilities Study Team, January 2004), 2-3; available from

[http://www.acq.osd.mil/jctd/articles/JointDefenseCapabilitiesStudyFinalReport\\_January2004.pdf](http://www.acq.osd.mil/jctd/articles/JointDefenseCapabilitiesStudyFinalReport_January2004.pdf)  
; Internet; accessed 8 January 2008.

<sup>43</sup> U.S. Government Accountability Office, *Best Practices: An Integrated Portfolio Management Approach to Weapon System Investments Could Improve DOD's Acquisition Outcomes: Report to the Committee on Armed Services, U.S. Senate* (Washington, D.C. : U.S. Government Accountability Office, March 2007), GAO Highlights ; available from <http://www.gao.gov/new.items/d07388.pdf>; Internet; accessed 14 February 2008.

<sup>44</sup> Dr. Christopher R. Paparone, "Resourcing the Force in the Midst of Complexity: The Need to Deflate the 'ppb' in PPBE," *Army Logistician*, March – April 2007 [journal on-line]; available from [http://www.almc.army.mil/alog/issues/Mar-Apr07/deflate\\_ppbe.html](http://www.almc.army.mil/alog/issues/Mar-Apr07/deflate_ppbe.html); Internet; accessed 1 February 2008.

<sup>45</sup> Ibid. **The 1-n list** — is a statement of Service priorities.

<sup>46</sup> Resource Analysis and Integration Office, G-3/5/7, "Pamphlet 10-1, Draft Organization and Functions: Organization of the DCS G-3/5/7," 1 June 2005, linked from *The G-3/5/7 Web Site* at "G-3/5/7 Organization," available from <https://www.g357extranet.army.pentagon.mil/DCSExtranet>; Internet; accessed 10 January 2008.

<sup>47</sup> Joint Defense Capabilities Study Team, *Joint Defense Capabilities Study: Improving DoD Strategic Planning, Resourcing and Execution to Satisfy Joint Capabilities*, 2-3.

<sup>48</sup> U.S. Government Accountability Office, *Defense Acquisitions: DOD Management Approach and Processes Not Well-Suited to Support Development of Global Information Grid* (Washington D. C. : U.S. Government Accountability Office, 30 January 2006), 14, 20-21; available from <http://www.gao.gov/new.items/d06211.pdf>; Internet; accessed 14 February 2008.

<sup>49</sup> Paparone, "Resourcing the Force in the Midst of Complexity: The Need to Deflate the 'ppb' in PPBE."

<sup>50</sup> Ibid.

<sup>51</sup> Horst Rittel and Melvin Webber, "Dilemmas in a General Theory of Planning," *Policy Sciences* (1973) quoted in Paparone, "Resourcing the Force in the Midst of Complexity: The Need to Deflate the 'ppb' in PPBE."

<sup>52</sup> Paparone, "Resourcing the Force in the Midst of Complexity: The Need to Deflate the 'ppb' in PPBE."

<sup>53</sup> Office of the Under Secretary of Defense Comptroller, "PPBE — Budgeting."

<sup>54</sup> Ibid.

<sup>55</sup> Paparone, "Resourcing the Force in the Midst of Complexity: The Need to Deflate the 'ppb' in PPBE."

<sup>56</sup> Joint Defense Capabilities Study Team, *Joint Defense Capabilities Study: Improving DoD Strategic Planning, Resourcing and Execution to Satisfy Joint Capabilities*, 2-3.

<sup>57</sup> Paparone, “Resourcing the Force in the Midst of Complexity: The Need to Deflate the ‘ppb’ in PPBE.”